KDE strives to provide continued assistance in the implementation of GASB34.  Basic guidelines for assigning Fixed Asset Department Codes are provided in the attached document.  The KDE Fixed Asset Department (function) Codes were designed to serve multiple purposes:

1) Facilitate the FAACTIMP utility in the automatic account assignment to each asset record.
2) Record depreciation expense by function of the asset for GASB Financial Statement purposes.
3) Reconcile asset detail within the Fixed Asset to the General Ledger module by function (department code).
4) Identify assets purchased and capitalized, by function, to eliminate the acquisition cost for current year GASB reporting purposes

The focus and basis of accounting for GASB34 requires school districts to report information about the cost of delivering services to students by function for both expenses and revenues.  The acquisition cost of items purchased and capitalized in the current year will not be reported as current expense on the Government-Wide Statement of Activities, but will be reported as depreciation expense, by function.  To ensure that depreciation (cost of the asset) is properly reported by function, assignment of the KDE Fixed Asset Department (function) needs to properly reflect the direct expense or function of the asset.  Consequently, the following guidelines can be used to establish policies and procedures for identifying the Fixed Asset Department code for assets for the reporting of depreciation expense.  Utilizing the guidelines will provide uniformity and comparability within KDE.

Districts should work with their auditors to ensure GASB reporting guidelines for the districts assets.  Those districts that have already posted depreciation should contact this email address if changes within the Fixed Asset and General Ledger modules are material and necessary.

**UPDATES TO WEB SITE:**
FAI-10 KDE Dept Code Guidelines have been added to the Asset Management Page web site: http://www.kde.state.ky.us/oet/sits/integ/munis/asset_manage.asp

**HELPFUL HINTS:**

MUNIS HINT:
Edits in MUNIS do not currently exist between the various screens of the asset record for several *key asset fields.*  Updates to the *key asset fields* of **Type (G or P)**, **Class, Sub-Class**, **Acquisition Cost, Acquisition Date,** and **Department Code** should be completed by updating the corresponding fields and General Ledger accounts on all other asset screens.  Updates should be completed by processing the "Transaction" option and selecting "**I**mprovement", "**A**djustment", or "**T**ransfer" to successfully update the asset record and impact the General Ledger, if required, by automatically producing an Journal Entry (FAM) for the associated adjustment.

ADDITIONAL REPORTING TOOLS:
Asset Trak can also be used as a source of reporting for Fixed Asset reporting needs.  Some districts have found the report "Assets by Location Code" (via the Master File) to be a very useful tool in submitting to each location for use of the following:
- Verification of Initial Inventory to assist the Central Office in finalizing the Beginning

Balance of Assets.
- Listing of records per location (until the next inventory).   District Inventory support responsible per location can utilize the report throughout the year by identifying existing assets and updates or changes in assets until the next inventory:  such as submitting transfers, disposals, and identifying additions.

Please respond to this email address for all questions relating to Asset Management.